

## GOVERNMENT OF TELANGANA

### ABSTRACT

Coop. Dept – Re-organization of PACS – Creation of two new PACS at Mandals without PACS and one more PACS in Mandals with only one PACS – Orders Issued - Regarding.

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### AGRICULTURE AND COOPERATION (COOP.II) DEPARTMENT

**G.O.Ms.No. 45**

**Dated: 04-12-2019**  
**Read**

Lr Rc.No. 8616/2016/PACS-V, dt. 18.11.2019 of CC and RCS,  
TS.Hyd.

### **ORDER:**

Vide reference cited, the Commissioner for Cooperation Registrar of Cooperative Societies, Telangana Hyderabad has informed that there are 909 PACS in the State and there are (81) Mandals without PACS and there are (272) Mandals with only one PACS. After re-organisation of districts, there is a need for re-organization of jurisdiction of PACS in the State by creating new PACS with Head Quarters at newly carved Mandals. The proposed new PACS are in the interest of Cooperative movement and also to improve the Cooperative Credit Structure in their area of operation.

2. The revival package recommended by the Vaidyanathan Committee was implemented in the State in 2006. The Government of Andhra Pradesh entered into the MOU with Government of India. The main financial Scheme was aimed at to wipe out accumulated losses and strengthen its capital base, institutional restructuring to make societies for democratic, member driven, autonomous and self-reliant. Radical changes in the legal frame work to empower the Reserve Bank of India to take action directly in matters for prudent financial management for banks. The project was expected to complete in two to three years once started in any state.

3. As per the recommendations of the Revival Package certain amendments were also brought into the APCS Act 1964. Further, the circumstances prevailed at the time of implementing the scheme in 2006 are not existing now. As per the present scenario **the restructuring of PACS is very much needed in strengthening the Rural Credit Structure to facilitate the farmer community for better economic well being and credit accessibility.**

4. After formation of Telangana State in 2014 the State Government brought many pro farmer based schemes like Mission Kakatiya to irrigate 1.00 cr acres of ayacut in Telangana State. Further, the Government have introduced Rythu Bandhu Scheme under which each pattedar will be get Rs. 5000/- per acre for cultivation. Due to formation of new Mandals the number of Mandals are increased to 573. Consequent to the reorganisation and creation of new Mandals there are **81 Mandals where there are no PACS working** and in **272 Mandals there is only one PACS working.** In view of the above, there is every need to increase the institutional facilities to cope-up with the future demand in agriculture after completion of these Government Schemes. For this there will be a demand to cover more farmers by bringing them into the cooperative fold and there is every need to address their credit requirements through these local credit institutions.

5. Further, there is a need to allow PACS to enter into Non-credit and other allied business like deposit mobilisation, Gold Loan business, offering locker facility, Godown facility, operating petrol Bunks etc., to make them viable and self sustainable in the coming years.

6. The Commissioner for Cooperation and Registrar of Cooperative Societies, Telangana State, Hyderabad further informed that to achieve the above objectives there is a need for (i) creation of atleast two PACS in each Mandal where there are no PACS and (ii) creation of one more PACS where there is only one PACS in the Mandal so as to ensure the following to farming community;-

- To make societies more accessible to farmers in credit disbursement.
- These societies will arrange input such as supply of fertilisers, seeds agricultural tools through other agencies like Markfed, TS Agros, TSSDC, HACA, Agriculture Department and allied sectors.
- Enable the farmer members to market their agricultural produce like Paddy, Maize, Pulses etc., through agencies like Civil Supplies, HACA and Seed Corporation etc.,
- To strengthen the grass root level cooperative movement.
- To increase member participation in PACS.
- To reduce the distance and increases the accessibility of services of PACS.
- To promote the economic well being of members of PACS i.e., farmers.
- To help in the process of revitalisation of Cooperative Societies.

7. The reorganisation of PACS is permissible under the provisions of Section 15(A) of the TCS Act, 1964. As per the said provisions if the Registrar feels necessary to amalgamate or merge any society with any other society or to divide and restrict or transfer, the area of operation of a society or to liquidate a society among other reasons in the interest of the cooperative movement in general and of cooperative credit structure in particular in the State taken as a whole; or he may identify the viable and non-viable societies which may be retained or divided with consequential restriction of the area of operation or the transfer of such area or amalgamated or liquidated, as the case may be, and may, by a notification to be published in the prescribed manner, specify the area of operation of each such society or societies to be retained, divided or amalgamated with any other society indicated in the said notification and invite objections or suggestions from the societies or any members, depositors, creditors, employees or other persons concerned with the affairs of each such society to be received within twenty-one days from the date of publication of the notification"; Though the Registrar is empowered to take action for re-organisation of PACS as per the above provisions, Government orders in this regard will strengthen the hands of RCS.

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8. In view of the above, the Government after careful examination of the above proposal hereby permit the CC and RCS, TS, Hyderabad to take immediate and necessary action as per provisions of Section 15(A) of the TCS Act, 1964 to (i) setup at-least two new PACS in Mandals where there are no PACS existing and (ii) re-organise the existing PACS into two ensuring minimum two PACS exist in each Mandal. Further, it is instructed to ensure that, Mandals having more than two PACS are not to be disturbed and will continue to function.

9. The Commissioner for Cooperation & Registrar of Cooperative Societies, Hyderabad, shall take further necessary action in the matter accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**C.PARTHA SARATHI,  
APC & PRINCIPAL SECRETARY TO GOVERNMENT.**

To  
The Commissioner for Cooperation & Registrar of Cooperative Societies, Hyderabad.

Copy to:

The P.S. to Minister (Cooperation).

The PS to APC & Principal Secretary to Govt., Agri.& Coop.  
Department.

Sf/Sc.

**//FORWARDED :: BY ORDER//**

**SECTION OFFICER**